Saskatchewan
Agriculture
and Food

Crop Share Lease Agreement

Crop Share Lease Agreement

This lease made in duplicate the _____ day of _____ A.D. 20__

Between

(Landlord's Name) of (Address)

in the Province of Saskatchewan hereinafter called the "landlord" being the registered owner or the purchaser under an Agreement for Sale of Land described below,

(Tenant's Name) of (Address)

in the Province of Saskatchewan hereinafter called the "tenant"

1. **Witness that** in consideration of the rents, covenants and agreements contained in this lease on the part of the tenant to be paid, observed and performed, the landlord does hereby lease to the tenant the following lands and premises situate in the province of Saskatchewan, that is to say:

Land (legal description):

hereinafter called "the land"

Together with the following portable buildings, namely:

Portable Buildings:

Excepting and reserving unto the landlord the following lands and buildings, namely

Lands Reserved:

Buildings Reserved:

106-06957/

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Disclaimer and Important Notice

This publication outlines some of the important considerations of leasing privately owned land.

This publication serves only as a guide and is not to be considered as an interpretation or complete coverage of all the laws affecting land rental arrangements. As well, this publication is not to be considered as an interpretation of the *Income Tax Act*.

The Government of Saskatchewan assumes no responsibility towards persons using it as such.

It is important to discuss all land rental arrangements with your lawyer, accountant and tax consultant before signing a lease agreement.

The Canada Revenue Agency may also provide information on tax implications.

This publication provides management information and guidelines for the landlord and tenant when negotiating a rental agreement. The landlord and tenant should study the material carefully and prepare a written agreement that suits their individual situation. The draft lease agreement in this publication is for use only as a guide. A lawyer should review any lease agreement before it is finalized.

Landowners who rent land to anyone other than a spouse or child may not qualify for the capital gain rollover, under the *Income Tax Act*, when the land is transferred to a child at a future date. Consult a lawyer or accountant for specific information.

For more information about this publication, contact Saskatchewan Agriculture and Food's Agriculture Knowledge Centre at 1-866-457-2377, or the Crop Development Branch at 306-787-6613

This publication and other Saskatchewan Agriculture and Food publications can be obtained from the website at **www.agr.gov.sk.ca.**

Introduction

A land lease agreement is a legal document that sets out the terms of an agreement between a landlord and tenant. There are many items and conditions that need to be included as terms of an agreement. The landlord and tenant must carefully examine the terms and conditions to ensure that they are acceptable to both parties.

This publication provides sample clauses for a crop share lease agreement. Also included are samples of various forms which may be needed as part of a lease agreement.

Landlords and tenants must remember that agriculture is cyclical. With this uncertainty, agreements in excess of three years should provide for a periodic review of the essential terms.

With a crop share lease, the landowner normally supplies the land, buildings, perhaps some machinery and perhaps some payment for operating expenses. The tenant supplies the labour, and usually the major portion of the machinery and the major portion of operating expenses. Expense items of common benefit to both landlord and tenant (such as fertilizer, pesticides and freight) may be shared in the same proportion as the crop is shared. Where pasture is included, a separate cash lease could be negotiated for its use or some allowance made for it in the crop share agreement.

Applying the contributions approach (see page 3 for more information) can test the fairness of a crop share leasing arrangement. The worksheet in Appendix I will assist in working through this approach.

Technological change, including the dramatic shift to continuous cropping and the increasing diversity of high input crops, has meant that there have been significant increases to the cost of production for the farm operator.

Where past practice may have shown a one-third to two-thirds share was fair, today that share may be closer to 25:75. With that being said, the share is only one of many issues that should be important to determine whether or not a certain lease agreement meets the needs of both parties. Also, land is a commodity: a landlord and tenant should be prepared to accept what is normal in their area or what is often referred to as paying the going rate.

Completing a Lease Agreement

1. Read this publication as well as the publication titled Land Rental Arrangements. Study the sample clauses carefully to determine the impacts of each clause. Consult with your lawyer and accountant.

2. Calculate what you think is an equitable rent arrangement. Examples and worksheets are included to serve as guidelines in calculating the contributions of each party to the arrangement. Working through these worksheets with the tenant or landlord will help to ensure that an equitable rent arrangement is established.

3. The landlord and tenant should meet, if possible, to discuss the terms of a prospective lease, deciding which clauses are needed and deleting the ones which are not needed. Make changes where desired and have one party draft the prospective agreement.

4. Each party should then consult their own lawyer to determine final wording to meet the needs of both parties. Both parties sign the final copy in duplicate.

5. The landlord and lawyer should ensure that the requirements of The Homesteads Act are fulfilled. This Act requires that the landlord's non-owning spouse give written consent. A sample form, Consent of Non-Owning Spouse is provided. A homestead is any land(s) upon which the spouses have lived since their marriage in which the owning spouse has an equity interest. A person may have several homesteads.

The Act also requires that the non-owning spouse appear before a solicitor, notary public, Justice of the Peace, local registrar of the Court of Queen's Bench or district court judge to have the Certificate of Acknowledgement completed. This is to ensure that the non-owning spouse understands his/her rights in the homestead and that he/she signs the lease agreement and Consent of Non-Owning Spouse of his/her own free will and consent and without any compulsion on the part of the owning spouse.

Complete the Affidavit of Landlord form if the landlord has no spouse, or if the land in the agreement has never been part of a homestead, or if the homestead rights of the landlord's spouse were relinquished by an interspousal agreement or Court Order pursuant to The Matrimonial Property Act.

6. It is good practice to have the witness complete an Affidavit of Execution that confirms both parties completed the agreement.

7. If required now, or when needed in the future, the tenant and landlord can complete a Consent to Make Major Improvements form prior to making any major improvements. It should be clearly outlined what buildings or improvements are to be made, who will pay the cost of materials and how the tenant will be compensated for his labour or any costs which he may incur. Attach one copy of the form to each copy of the lease agreement.

8. The tenant may wish to ensure the agreement remains in effect if the land is sold to another party. To do this, the tenant can file a caveat with Information Services Corporation (ISC), formerly called Land Titles. Any of the ISC Customer Service Centres can assist the tenant with this process. The Customer Service Centres are located in North Battleford, Humboldt, Moose Jaw, Prince Albert, Regina, Saskatoon, Swift Current and Yorkton.

9. If the lease contains a renewal clause, the landlord and tenant can utilize the Lease Renewal form, the Consent of Non-Owning Spouse form or Affidavit of Landlord form, and the Affidavit of Execution form to renew the lease agreement. All clauses in the lease agreement should be reviewed and adjusted as required. A caveat would have to be re-filed for the new lease.

10. The Withdrawal and Discharge of Caveat form is used to remove a caveat from the certificate of title.

Determining the Share

There are many variations to a crop share lease. The landlord and tenant may share some costs such as fertilizer and chemicals in the same proportion that the crop is shared. Occasionally a landlord may supply machinery with the lease or pay part or all of the input costs. The options are endless, so it is important to tailor the type of agreement that best meets both parties needs.

There are two methods of calculating the share for a crop share lease agreement:

(a) the market approach, and
(b) the contribution approach.

The market approach is based on the normal crop share agreements in the community. Talking to neighbours and others who rent land is a valuable source in deciding what is happening locally. Both parties need to work through the contribution approach to determine if community standards are acceptable.

Another way to find out about the local market is to advertise and 'call for tenders' where the interested people, in writing, tell what they would offer. This 'call for tenders' method is more common among landlords who know little about farming or no longer live in the area.

The contributions approach establishes the crop share based on the contribution of each party to the agreement. See Appendix I for the worksheet.

The share of contributions calculated in the worksheet is the crop share that each party receives at harvest. The following two examples illustrate this approach from two perspectives.

In Example 1, the landlord does not share the cost of crop inputs. Example 2 assumes that the landlord and tenant will share crop input costs at a $^1/_3 : ^2/_3$ rate.

In both cases, crop inputs are based on growing canola in the black soil zone. Land is assumed to have a value of $385 per acre. An investment cost of 4.5% on land and 4.8% on buildings and machinery is used.

In the examples, labour costs are set at $10 per acre and it is assumed that the land being leased is in addition to an average, already fully operational farm. Most of the figures come from the 2005 Crop Planning Guide for the black soil zone and are used for illustration purposes only.

You must use your own costs to make a fair comparison and meet your needs.

Example 1 illustrates that a 17% (landlord) and 83% (tenant) crop share arrangement would be equitable with these costs and with no sharing of crop inputs.

Example 2 illustrates the effect on these same figures if there is a sharing of crop inputs.

Appendix I provides a worksheet to calculate individual costs or what is referred to as contributions.

Example 1
Black soil zone, Spring Wheat – no sharing of inputs

Tenant's Costs per Cultivated Acre

Cropping Costs (100%) (seed/fertilizer/pesticides)	$62.56
Machinery	
Fuel & Repairs	17.76
Investment & Deprec.	28.12
Buildings (machine storage)	1.90
Business Overhead (insurance, utilities, misc.)	8.78
Labour	10.00
Tenant's Total Cost	$129.12

Landlord's Costs per Cultivated Acre

Land	
Investment ($385 x 4.5%)	$17.33
Taxes	5.55
Buildings (grain storage)	2.84
Business overhead	0.45
Landlord's Total Cost	$26.17

Total Contributions =
$129.12 + $26.17 = $155.29

Tenant's Share =
$\frac{\$129.12}{\$155.29} \times 100 = 83\%$

Landlord's Share =
$\frac{\$26.17}{\$155.29} \times 100 = 17\%$

Example 2
Black soil zone, Spring Wheat, 1/3:2/3 sharing of crop inputs

Tenant's Costs per Cultivated Acre

Cropping Costs (67%) (seed/fertilizer/pesticides)	$41.92
Machinery	
Fuel & Repairs	17.76
Investment & Deprec.	28.12
Buildings (machine storage)	1.90
Business Overhead (insurance, utilities, misc.)	8.10
Labour	10.00
Tenant's Total Cost	$107.80

Landlord's Costs per Cultivated Acre

Cropping Costs (33%) (seed/fertilizer/pesticides)	$20.64
Land	
Investment ($385 x 4.5%)	$17.33
Taxes	5.55
Buildings (grain storage)	2.84
Business overhead	1.13
Landlord's Total Cost	$47.49

Total Contributions =
$107.80 + $47.49 = $155.29

Tenant's Share =
$\frac{\$107.80}{\$155.29} \times 100 = 70\%$

Landlord's Share =
$\frac{\$47.49}{\$155.29} \times 100 = 30\%$

Another calculation which should be completed is to estimate income for both the tenant and the landlord, as shown in Appendix II entitled Income Worksheet. This worksheet should be used by a tenant or landlord to determine the amount of profit that could be generated in an average year in a given rental situation. It is important for both the landlord and the tenant to review expectations for profit.

Example 3
Income calculation, Black soil zone, spring wheat and canola, 25:75 crop share with no sharing of inputs

Tenant:	
Wheat Income (80 acres)	$7,980.00
(38 bu/acre x $3.50/bu. x 75%)	
Canola Income (80 acres)	12,660.00
(30 bu./acre x $7/bu x 75%)	
Total	20,640.00
Less total expenses (160 ac)	$19,825.00
(tenant labour removed)	
Total profit	$815.00
Per acre profit	$5.09
Landlord:	
Wheat Income (80 acres)	$2,660.00
(38 bu./acre x $3.50/bu. x 25%)	
Canola Income (80 acres)	4,200.00
(30 bu./acre x $7.00/bu. x 25%)	
Total	6,860.00
Less total expenses	$2,093.00
Total profit	$4,767.00
Per acre profit	$29.79

Example 4
Income calculation, Black soil zone, spring wheat and canola, 1/3:2/3 crop share with 1/3:2/3 sharing of crop inputs

Tenant:	
Wheat Income (80 acres)	$7,129.00
(38 bu./ac.x $3.50/bu. x 67%)	
Canola Income (80 acres)	11,256.00
(30 bu./ac x $7/bu. x 67%)	
Total	18,385.00
Less total expenses (160 ac)	$15,662.00
(tenant labour removed)	
Total profit	$2,723.00
Per acre profit	$17.02
Landlord:	
Wheat Income (80 acres)	$3,511.00
(38 bu./acre x $3.50/bu. x 33%)	
Canola Income (80 acres)	5,544.00
(30 bu./acre x $7.00/bu. x 33%)	
Total	9,055.00
Less total expenses	8,350.00
Total profit	$705.00
Per acre profit	$4.41

Other Issues

Liability protection for both the landlord and tenant is an important issue. Failure by a tenant to adhere to some environmental law could impact both parties. Included in this is the issue of manure management. A landlord should address this issue in the lease agreement especially if there are intensive livestock operations in the area. In an agreement, the clause should refer to soil test recommendations as the measuring tool as well as protecting against nutrient loading. In all cases, the amount of manure, fertilizer or soil amendments should be restricted so that overloading does not occur.

Another issue is smoke from burning of crop residues. If this smoke causes an accident on a roadway, that fire may have legal implications. The issue is to try to take steps to protect against legal actions caused by one of the parties. As stated many times in this publication, consultation with a lawyer is recommended.

The incorrect handling and application of pesticides can create many problems. Herbicide carryover or herbicide resistant weeds, or chemical drift and spills are all concerns landlords should seek protection from in the lease agreement. Spills and chemical drift to a neighbour's property is a problem anywhere; a landlord does not want to bear any of this responsibility. Landlords need to ensure protection against damage on adjacent lands as well as shelter belts and yardsites.

With regards to pesticide use, the landlord will have to decide on the level of involvement, both in terms of time and knowledge, in determining which pesticides can be used, rates and what is not allowed on the land. Creating a list of pesticides that could not be used, is one method. Another method is for the landlord to require the tenant to supply detailed pesticide records each year of the lease. This information is very important to a new incoming tenant who wishes to plant a sensitive specialty crop (i.e. potatoes).

Some landlords may want to take the initiative to require a full-fledged cropping plan to be developed and approved jointly between the landlord and tenant. Such an agreement could include what crops to grow, fertilizer rates, pest control options, harvesting standards and summerfallow requirements. If such a plan was developed, the resulting lease agreement would no longer require many of the clauses which speak directly to seeding, summerfallow, pesticides, etc. It should be remembered that for each option, it may take considerable time for both parties to come to an agreement.

A landlord may want a specific clause to ensure land which is registered for organic production remains organic. Also, those landlords who do not want organic production on the land should have a clause which deals with that restriction.

From time to time there are payments made by various governments to farmers or landowners. Clause 19 of the following sample agreement looks at this issue of "if" or "how" payments might be shared. This clause should be carefully reviewed to ensure both parties are aware of how these payment are to be handled.

Sample Crop Share Lease Agreement

This lease made in duplicate the _____ day of _____ A.D. 20____

Between

_____ of _____
(Landlord's Name) (Address)

in the Province of Saskatchewan hereinafter called the "landlord" being the registered owner or the purchaser under an Agreement for Sale of Land described below.

- and -

_____ of _____
(Tenant's Name) (Address)

in the Province of Saskatchewan hereinafter called the "tenant."

1. **Witness that in consideration of the rents,** covenants, promises and agreements contained in this lease on the part of the tenant to be paid, observed and performed, the landlord does hereby lease to the tenant the following farm lands and premises situated in the Province of Saskatchewan, that is to say:

Land (legal description):

_____

_____

_____

hereinafter called "the land."

Together with the following portable buildings, namely:

Portable Buildings:

_____

_____

Excepting and reserving unto the landlord the following lands and buildings, namely:

Lands Reserved:

_____

_____

Buildings Reserved:

_____

_____

2. **Term**

This lease shall continue in force on the said land and premises for and during the term of _____ ___ years from the _____ day of _____ AD20____ to the _____ day of _____ ____ AD20____.

Any overholding by the tenant shall be considered a trespass.

3. **Rental**

The tenant will pay to the landlord the yearly rental of _____ share or portion of the whole crop of the different kinds and qualities of grain, hay, fodder and other crops which are grown on the said land during the term of this lease. This undivided share of crop shall become the property of the landlord at the time of harvest.

- and -

(1) Cash rental of $_____ for pasture on the said land during the term of this lease, to be paid on or before _____ each year.

(Date)

- or -

(2) See additional clauses in publication titled Pasture Lease Agreements.

- or -

(3) A cash rental for pasture as outlined below:

_____

_____

4. **Saskatchewan Laws Apply**

The contents of this agreement shall for all purposes be construed according to the laws of the Province of Saskatchewan and any cause of action arising hereunder shall be entered and tried in the judicial centre serving the area of Saskatchewan in which the land of this agreement is located.

5. **Landlord and Tenant Definitions**

The terms "landlord" and "tenant" shall include their heirs, executors, administrators, successors and assigns in the singular or plural number and feminine or masculine gender when the context or the parties so require and all the covenants shall be construed as being joint and several.

6. **Cropping Plans**

The tenant shall make all decisions with respect to growing of crops on the land unless stated otherwise in this agreement.

- or -

The tenant and landlord will agree on an annual cropping plan by _____ of each year. The cropping plan will include crops to be grown, livestock to be raised, pesticides to be used and conservation practices to be employed for each year, unless stated otherwise in this agreement.

7. Sharing the Cost of Growing the Crop

The tenant shall be responsible for all costs of growing crops on the land unless stated otherwise in this agreement.

- or -

The landlord and tenant share the costs of crop inputs such as, but not limited to fertilizer, herbicides, insecticides, fungicides, seed and/or seed treatment, in the same proportion as the share of crop set out in this agreement.

- or

The landlord and tenant share the costs of crop inputs such as, but not limited to fertilizer, herbicides, insecticides, fungicides, seed and/or seed treatment, as specified below:

_____

_____

_____

_____

_____

_____

_____

_____

8. Resource Protection

The tenant shall:

a) cultivate, seed, control weeds, insects and disease, harvest crops and raise livestock on the land in a sustainable manner;
b) use pesticides in accordance with labelled directions; and
c) minimize soil loss from erosion with the use of, but not limited to, crop residue management, conservation tillage, grassed waterways, stripcropping, tree planting or other accepted conservation practices;

The tenant shall not:

a) allow overgrazing of any of the land that is in grass or forages;
b) overload nutrient levels on the land or adjacent water bodies;
c) allow pesticide to drift on to non target lands, including adjacent crops, shelterbelts and yardsites;
d) accumulate, permit or allow the accumulation of any waste material, debris, refuse or garbage; and
e) allow any site contamination such as, but not limited to, chemicals, oil spills, hydro carbons or any other waste materials on the land or adjacent water bodies.

9. **Pesticides**

The tenant shall make all decisions with respect to which pesticides can be used on the land.

- or -

The tenant and landlord will jointly agree upon a cropping and pesticide usage plan for the term of this lease.

- or -

The tenant shall make all decisions with respect to which pesticides can be used on the land and by _____ (date) of each year of this lease, the tenant will supply the landlord with a listing of what pesticides were applied to crops growing on the land.

- or -

The tenant is prohibited from using the following pesticides, unless mutually agreed upon:

_____
_____
_____
_____
_____
_____

10. **Use of the Land**

The tenant will use the lands and premises for the purpose of growing crops or forages or the pasturing of livestock, and the tenant shall not, without the written consent of the landlord:

a) sublet, or assign this lease, or any part thereof, or any interest therein without obtaining the written consent of the landlord to the sublease or assignment;
b) change the natural course of any waterways on the said land;
c) cut down trees growing upon the land, nor will he permit any other person to do so;
d) allow the entry of any persons for the purpose of outfitting, eco-tourism, picking of berries or flowers or any such plant materials;
e) remove any sand, gravel, clay, stone or other such substances existing on, or under the surface of said land; and
f) bring into cultivation any new lands.

11. **Seeding**

The tenant will seed to crop all the said land under cultivation except the portion to be summerfallowed during the term of this lease. The type and acreage of each crop to be seeded shall be determined by the:

(a) tenant

- or -

(b) tenant and landlord by mutual agreement.

12. **Summerfallow**

The tenant shall control all noxious weeds on the subject lands and maintain all summerfallow in a reasonably weed-free condition. The tenant shall summerfallow not less than _____ acres of the said land each year during the term of this lease. In the final year of this lease agreement the tenant shall summerfallow, in a proper manner, _____ acres of the said land.

At the termination of this lease, if the amount of summerfallow on the land exceeds _____ acres, the landlord will pay to the tenant an amount equal to $_____ per acre for every such acre in excess and in the event the amount of summerfallow does not exceed the sum of _____ acres the tenant will pay the landlord an amount equal to $_____ per acre for every acre so deficient.

- or -

The tenant shall control all noxious weeds on the subject lands and no summerfallow is to be allowed except by mutual consent.

13. **Crop Residues and Fire**

Crop residues including straw, chaff and stubble remaining after harvesting the crops on the land shall not be burned, baled or otherwise removed, used or disposed of without the consent of the landlord.

- or -

Crop residues including straw, chaff and stubble remaining after harvesting the crops on the land shall be left on the soil surface or incorporated into the soil. Stubble burning is prohibited.

- or -

Crop residues including straw, chaff and stubble remaining after harvesting the crops on the land shall be left on the soil surface or incorporated into the soil. Stubble burning is prohibited, and as such, the tenant shall indemnify and save harmless the landlord from all loss and damage caused by fire or otherwise through the negligence or carelessness of the tenant, the tenant's family or the tenant's employees.

14. **Delivery of Grain**

The tenant will deliver the landlord's share of crops to a location within _____ kilometres/miles of the land as determined by the landlord, at a date determined by the landlord. The landlord shall pay for transportation costs to a market point beyond _____ kilometres/miles from the subject lands.

- or -

The landlord and tenant will share in the cost of trucking grain as follows:

_____

_____

_____

15. **Sale of Crops**

The tenant will decide all marketing choices and strategies for the crops grown, including where and when the sale is to take place and about all production contracts and deferred delivery contracts perceived necessary.

- or -

The landlord and tenant will, by mutual agreement, and prior to _____ (date) of each year, determine a marketing strategy for the crops to be grown.

- or -

The landlord and tenant will agree to market the crops grown in the following manner:

_____

_____

_____

_____

16. **Crop Insurance**

With respect to the Saskatchewan Crop Insurance Program, the tenant has the option to take out an insurance contract and in so doing shall absorb the total cost of coverage and receive all the revenue from any claim.

Note that if the landlord and tenant wish to jointly share in the benefits of production insurance, a separate agreement should be drafted to address this arrangement – again, consult a lawyer.

17. **Insurance**

Insurance on all leased buildings in this agreement shall be the responsibility of the landlord.

The landlord and tenant shall insure crops and fodder by sharing the cost of premiums and share in any claim, with costs and benefits shared in the same proportion as their share of crop. The parties agree to insure crops grown on the land against loss from the following hazards:

_____

_____

_____

_____

(All Risk, Hail, Fire, Theft, etc.)

Coverage shall consist of the following (crop, level and amount):

_____

_____

_____

- or -

18. **Storage of Grain**

The landlord will provide grain storage for his/her share of the crops and the tenant will provide storage for his/her share.

- or -

The landlord will provide _____ tonnes/bushels of grain storage. The tenant will provide any additional grain storage as required. Any such grain placed in storage which is provided by the tenant shall belong to the landlord and tenant as provided herein.

19. **Government Income Support Payments and Subsidies**

In the event that any payment, subsidy or other reimbursement is made under any government agency or any marketing agency in connection with income support to the actual producer of crops grown on the leased lands during the term of this lease, and where no contributions are required, the amount paid in respect of the land leased in this agreement shall be paid to the tenant and shared with the landlord in the same proportions as the share of crop set out in this lease agreement. When the agency payment, subsidy or other reimbursement is calculated on a maximum acreage base, and when the tenant farms an acreage exceeding this maximum base, then the payment shall be divided according to the ratio of acreage of land leased in this agreement to the total acreage of land farmed by the tenant as recorded in the permit book, and the payment identified with the leased land shall be shared in the same proportion as the share of crop.

Where contributions are required for entitlement to any payment, subsidy or reimbursement the landlord and tenant agree to share the costs and income in the same proportion as the share of crop set out in this lease agreement. The following programs are included:

_____

_____

_____

_____

20. **Compensation for Oil and Gas, Utilities, Roads, and Rights-of-Way**

Compensation for reasons such as, but not limited to, property damage and inconvenience from oil and gas exploration, pipeline development, power and telephone line installations, or road construction, shall accrue to the party that has suffered the loss. The landlord will have the final say on who has suffered the loss except as follows:

a) where the compensation is for crop damage, the loss shall be deemed to be shared between the tenant and landlord in the same proportion as the share of crop set out in this agreement.
b) where the compensation is for work completed by the tenant such as, but not limited to, fence re-construction, grass reseeding or top soil levelling, the compensation will be paid to the tenant.
c) where the compensation is for the creation of a nuisance situation such as, but not limited to, gates being left open, dust or noise, the compensation will be paid to the tenant.
d) where the compensation is for a decrease in the land's value such as, but not limited to, loss of acres from the development, severing a parcel of land or top soil disturbance, the payment shall be made to the landlord.

- or -

Compensation for reasons such as, but not limited to, property damage and inconvenience from oil and gas exploration, pipeline development, power and telephone line installations, or road construction, shall accrue to the landlord.

- or -

Compensation for reasons such as, but not limited to, property damage and inconvenience from oil and gas exploration, pipeline development, power and telephone line installations or road construction, the landlord and tenant shall, by mutual agreement, determine which party is to receive the compensation. If mutual agreement cannot be reached, it shall be submitted to arbitration in accordance with *The Arbitration Act*.

21. **Taxes**

The cost of all municipal and school taxes on the land included in this lease shall be paid by the landlord.

- or -

The cost of all municipal and school taxes on the land indicated in this lease shall be paid by both the tenant and landlord in the same proportion as the share of crop set out in this agreement.

22. **Improvements**

The tenant shall not make major improvements, other than what is considered normal repair and maintenance, to the leased land or any other assets identified in this agreement without written permission of the landlord. Major improvements, which without restricting the generality of the term, shall include: water development, erosion control, fencing and building construction, clearing, breaking, and seeding to pasture and hayland. Such consent shall be attached to and form part of the lease agreement. The amount of compensation shall be an amount agreed upon by the landlord and tenant.

Title to all improvements shall vest in the landlord and no improvements shall be sold, removed, disposed of or encumbered without the written consent of the landlord.

23. **Repair of Buildings, Fences and Improvements**

Responsibility for normal maintenance and repair to buildings, fences and improvements shall be as follows:

Tenant's Responsibility (list items):

_____

_____

_____

Landlord's Responsibility (list items):

_____

_____

_____

24. **Unharvested Grain or Grain in Storage at Termination of Lease**

In the event that the harvesting and/or marketing conditions prevent the tenant from delivering the grain grown and stored on the leased land during the term of this lease, such grain may be harvested and removed from the landlord's property according to *The Agricultural Leaseholds Act.*

25. The tenant shall protect the said land and indemnify the landlord in regard to any and all liens and charges by reason of or in any way accruing from the construction of any building or the making of any improvements thereon done by or on behalf of the tenant.

26. The tenant shall indemnify and save harmless the landlord against all claims, liabilities, demands, damages or rights or causes of action whatever made or asserted by anyone arising out of or incidental to this indenture or use or occupancy of the said lands and premises.

27. That if the term hereby granted or any of the goods and chattels of the tenant or his assigns shall be at any time seized or taken in execution or in attachment by any creditors of the tenant or his assigns, or if the tenant or his assigns shall make any assignment for the benefit of creditors, or becoming bankrupt or insolvent, shall take the benefit of any Act that may be in force for bankrupt or insolvent debtors, or if any writ of execution shall issue against the goods and chattels of the tenant or his assigns, the then current year's rent shall immediately become due and payable, and the said term shall immediately become forfeited and void at the option of the landlord.

28. That if the rent reserved or any part thereof be in arrears whether such rent has been demanded or not, or if there be default, breach or non-observance by the tenant at any time or times of any covenant, proviso, condition or reservation herein contained, which on the part of the tenant ought to be observed or performed, whether such covenant be positive or negative, or if there by any seizure or forfeiture of the said term for any of the causes herein specified, then the landlord or his agents may enter upon the said lands and premises and thereafter have, possess and enjoy them as if his indenture had not been made, and no acceptance of rent subsequent to any breach or default other than nonpayment of rent nor any condoning, excusing or overlooking by the landlord on previous occasions of breach or defaults similar to that for which reentry is made shall be taken to operate as a waiver of this condition, nor in any way defeat or affect the rights of the landlord herein.

29. The tenant shall at the expiration of the said term or other sooner determination of this lease peaceably and quietly leave, surrender and yield up onto the landlord the said lands and premises in good and sufficient repair, reasonable wear and tear and damage by fire, lightning and tempest only excepted.

30. If the tenant fulfils the terms and conditions of this agreement, the tenant shall and may peaceably possess and enjoy the said land for the said term, without any interruption or disturbance from the landlord or any representative of the landlord.

31. The landlord or a representative of the landlord has the right at all reasonable times to attend and inspect the said property. The landlord reserves the right of entry and exit over and upon the land in this agreement to use any land and buildings expressly excluded from this agreement.

32. If either party shall fail in any respect to carry out any of the provisions of this lease agreement, the other may have the same done, and the costs shall be paid by the party failing to carry out the said provisions.

33. **Renewal**

The term of this lease may be extended by mutual agreement between the landlord and tenant for a further period upon the same terms and conditions as contained herein, except as otherwise agreed in writing by the parties executing a renewal statement.

34. **Incoming Tenant**

An incoming tenant, purchaser or the landlord shall have the right to enter on the land contained in this agreement after harvest in the fall preceding the expiration of the said term for the purpose of preparing the land for crop.

35. **Arbitration**

The landlord and tenant may by mutual agreement submit any disagreement, which may arise with respect to the terms and conditions of this lease to arbitration in accordance with *The Arbitration Act*.

36. **Termination**

The landlord and tenant may mutually agree to terminate this lease at any time.

I, _____ do hereby accept this lease of the above
(Tenant's Name)

described land to be held by me as tenant, and subject to the conditions, restrictions and covenants

above set forth.

In Witness whereof the parties have set their hands and seals this _____ day of _____ _____ AD 20____.

SIGNED, SEALED AND DELIVERED IN THE PRESENCE OF:)

_____)

As to the execution by landlord)

_____

(Signature of Landlord)

AND IN THE PRESENCE OF:)

_____)

As to the execution by tenant)

_____

(Signature of Tenant)

Sample Forms

Consent of Non-Owning Spouse

I, _____, non-owning spouse of _____,
(Landlord's Spouse) (Landlord's Name)
consent to the attached disposition. I declare that I have signed this consent for the purpose of relinquishing all my homestead rights in the property described in the above/attached disposition in favour of _____ to the extent necessary to give effect to this lease.
(Tenant's Name)

_____
Signature of Non-Owning Spouse

Certificate of Acknowledgement

I, _____, _____,
(indicate capacity)
certify that I have examined _____, non-owning spouse of
(Landlord's Spouse)
_____, the owning spouse, in the above/attached lease
(Landlord's Name)
separate and apart from the owning spouse. The non-owning spouse acknowledged to me that he or she:

(a) signed the consent to the disposition of his or her own free will and consent and without any compulsion on the part of the owning spouse; and
(b) understands his or her rights in the homestead.

I further certify that I have not, nor has my employer, partner or clerk, prepared the above/attached lease and that I am not, nor is my employer, partner or clerk, otherwise interested in the transaction involved.

_____
Signature

(Lawyer, Notary Public, Justice of the
Peace, Local Registrar of the Court of Queen's Bench)

Affidavit of Landlord

I, _____ of _____, in the Province of Saskatchewan, make oath and say that:

1. I am the landlord.

2. My spouse and I have not occupied the land described in this disposition as our homestead at any time during our marriage.

- or -

2. I have no spouse.

- or -

2. My spouse is a registered owner of the land that is the subject matter of this disposition and a co-signator of this disposition.

- or -

2. My spouse and I have entered into an interspousal agreement pursuant to The Matrimonial Property Act in which my spouse has specifically released all his or her homestead rights in the land that is the subject matter of this disposition.

- or -

2. An order has been made by Her Majesty's Court of Queen's Bench for Saskatchewan/Unified Family Court pursuant to The Matrimonial Property Act declaring that my spouse has no homestead rights in the land that is the subject matter of this disposition and (the order has not been appealed and the time for appealing has expired) or (all appeals from the order have been disposed of or discontinued).

- or -

2. My spouse is the landlord named in this disposition.

Sworn before me at _____)
in the Province of _____)
this _____ day of _____, 20____.)
)
)
)
)
_____) _____
(A Commissioner for Oaths in and for the) (Signature of Landlord)
Province of Saskatchewan. My Commission)
expires _____, 20___.))

Affidavit of Execution

To Wit:

I, _____ of _____,

in the Province of Saskatchewan, make oath and say that:

1. That I was personally present and did see _____ and
(Landlord's Name)
_____ named in the within instrument who are personally known
(Tenant's Name)
to me to be the persons named therein, duly sign and execute the same for the purposes named therein.

2. That the same was executed at the _____ of _____,
in the Province of Saskatchewan, and I am the subscribing witness thereto.

3. That I know the said landlord and tenant and they are in my belief of the full age of eighteen years.

Sworn before me at _____)
in the Province of _____)
this _____ day of _____, 20____.)
)
)
)
_____) _____
(A Commissioner for Oaths in and for the) (Signature of Witness)
Province of Saskatchewan. My Commission)
expires _____, 20___.))
)

Consent to Make Major Improvements

Re: Land Lease Agreement between _____ and
(Landlord's Name)
_____ on the following farm land and premises:
(Tenant's Name)

_____

_____

_____

_____

from _____ day of _____ AD 20___ to _____ day of _____ AD 20___.

I, _____ do hereby authorize
(Landlord's Name)
_____ to make the following
(Tenant's Name)
major improvements on the said land which shall become part thereof and vest in the landlord at the expiry or termination of the lease:

_____

_____

_____

_____

In so doing, the landlord will pay the tenant the following compensation for the improvements made:

_____

_____

_____

_____

_____
(Date)

_____ _____
(Witness) (Signature of Landlord)

_____ _____
(Witness) (Signature of Tenant)

Lease Renewal

We, _____ of _____ and
(Landlord's Name) (Address)

_____ of _____,
(Tenant's Name) (Address)

being parties to a land lease agreement for the term of _____ years from _____ day of

_____ AD 20____ to the _____ day of _____ AD 20____

on the following farm land and premises:

_____

_____

do hereby extend the term of the said agreement for the space of _____ years from _____ day of

_____ AD ____ to the _____ day of _____ AD 20____

according to the terms and conditions outlined in the said agreement unless specified differently,

that is to say:

_____

_____

I, _____, of _____,
(Tenant's Name) (Address)

do hereby accept this lease of the above described land, to be held by me as tenant, and subject to the conditions, restrictions and covenants set forth above.

In witness whereof the parties have set their hands and seals this _____ day of _____ AD 20___.

SIGNED, SEALED AND DELIVERED IN THE PRESENCE OF:)

_____)
As to the execution by landlord) _____
) (Signature of Landlord)
AND IN THE PRESENCE OF:)

_____)
As to the execution by tenant) _____
) (Signature of Tenant)

Caveat

To the Registrar of the _____ Land Registration District.

Take notice that I, _____ of _____ claiming a
(Tenant's Name)
leasehold interest as tenant under a lease agreement between _____
(Landlord's Name)
and _____ on the following property (description):
(Tenant's Name)

_____

_____

from _____ day of _____ AD 20___ to the _____day of _____ AD 20___ forbid the registration of any transfer or other instrument affecting such land or the granting of a certificate of title hereto except subject to the claim herein set forth.

My address in Saskatchewan is:

_____

Dated this _____ day of _____ AD 20___.

_____
(Signature of Tenant)

I, the above named _____ of _____
(Tenant's Name) (Address)
make oath and say:

1. That the allegations in the above Caveat are true in substance and in fact, to the best of my knowledge, information and belief.

2. That the claim mentioned in the above Caveat is not, to the best of my knowledge, information and belief founded upon a writing or a written order, contract or agreement for the purpose of delivery of any chattel or chattels within the prohibition contained in Section 151 of The Land Titles Act.

Sworn before me at _____)
in the Province of _____)
this _____ day of _____, 20____.)
)
)
_____)
(A Commissioner for Oaths in and for the) _____
Province of Saskatchewan. My Commission) (Signature of Tenant)
expires _____, 20___.))

Withdrawal and Discharge of Caveat

To the Registrar of the _____ Land Registration District.

I, _____ of _____,
(Tenant's Name) (Address)

do acknowledge that _____ have no further interest under
(Tenant's Name)

the Caveat made by _____ claiming a leasehold interest as

tenant in (land description):

_____

_____

_____

which Caveat bears the date of the _____ day of _____ AD 20___

and was registered in the Land Titles Office for the _____

Land Registration District on the _____ day of _____ AD 20___.

Caveat Number _____, and that such Caveat is hereby withdrawn and discharged. In

witness whereof I have hereunto set my hand and seal this _____ day of

_____ AD 20___.

Signed by the above named in the presence of)
)
)
)
)
)
)
_____ _____)
(Witness)) (Signature of Tenant)

Appendix I: Contributions Worksheet

Landlord's Cost per Cultivated Acre

Land Investment Cost:
$_____ per acre x ____% =_____

Taxes per acre _____

Buildings:
Investment Cost:
$ _____ x ____% = _____
(per acre)

Depreciation:
(original cost – salvage value) = _____
(years of use)

Building Repairs _____

Other Costs _____

A. Landlord's Total Costs per Cultivated Acre **$_____**

Tenant's Cost per Cultivated Acre

Seed & Related Costs _____
Fertilizer _____
Pesticides
Grassy Weeds _____
Broadleaf Weeds _____
Insects _____
Crop Insurance _____
Machinery
Repairs _____
Fuel and Lubricants _____
Vehicle Insurance _____
Investment Cost _____
Depreciation _____
Interest on Operating Capital _____
Labour _____
Trucking _____
Miscellaneous _____

B. Tenant's Total Costs per Cultivated Acre $_____

Total Cost Contributed = A + B = $_____

Landlord's Share = $\frac{A}{A+B} \times 100$ = _____%

Tenant's Share = $\frac{B}{A+B} \times 100$ = _____%

Options for change:

(a) Determine if the costs of inputs are to be shared between landlord and tenant.
(b) Determine if land taxes or repairs on the landlord's buildings are to be shared.
(c) Determine if the landlord is to supply some or all of the machinery.

Appendix II: Income Worksheet

Expected Income

Crop	Acres	x	Yield	x	Price	=	Total Income	My Share
_____	_____	x	_____	x	_____	=	_____	_____
_____	_____	x	_____	x	_____	=	_____	_____
_____	_____	x	_____	x	_____	=	_____	_____
_____	_____	x	_____	x	_____	=	_____	_____
Other Income							_____	_____

Total Expected Income _____(A)

Estimated Costs	**Total Cost**	**My Share**
Seed and Seed Related Costs		
_____	_____	_____
Fertilizer		
_____	_____	_____
_____	_____	_____
Pesticides		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Buildings		
Repairs and Depreciation	_____	_____
Investment Cost	_____	_____
Crop and Hail Insurance	_____	_____
Property Taxes	_____	_____
Custom Work Hired	_____	_____
Hired Labour	_____	_____
Rent (if a cash rent)	_____	_____
Interest on Operating Capital	_____	_____
Machinery		
Fuel and Lubricants	_____	_____
Repairs and Maintenance	_____	_____
Depreciation	_____	_____
Investment Cost	_____	_____
Insurance	_____	_____
Trucking	_____	_____
Other Costs		
_____	_____	_____

Total Costs _____(B)

Return Above Costs = Profit (A-B) _____

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